



July 10, 2006

Mr. Ronald A. Rosenfeld  
Chairman  
Federal Housing Finance Board  
1625 Eye Street NW  
Washington, DC 20006  
Attention: Public Comments

Re: Federal Housing Finance Board; Proposed Rule: Excess Stock  
Restrictions and Retained Earnings; RIN Number 3069-AB30;  
Docket Number 2006-03

Dear Mr. Rosenfeld:

Horizon Bank is a \$1.1 billion community bank located in Northwest Washington State. The Bank is a shareholder in the Federal Home Loan Bank of Seattle and a member of the Washington Financial League and America's Community Bankers. We use the Seattle Bank to fund our various lending programs to provide housing in the communities we serve.

Horizon Bank is concerned about the above referenced proposed regulation. This proposed rule has not been openly discussed and should be withdrawn and reissued as an advance notice of proposed rulemaking. This would allow a public hearing process to take place that would strengthen the regulation and the finance board's ability to understand the perspective of all parties involved.

Please withdraw this regulation and allow comment.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'V. Lawrence Evans', is written over a faint, illegible typed name.

V. Lawrence Evans  
Chairman and CEO